

MALTA BUDGET 2022



TRI·MER
SERVICES LTD.

11TH OCTOBER 2021

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General Overview

THE MINISTER FOR FINANCE HON. CLYDE CARUANA, PRESENTED THE BUDGET SPEECH FOR 2022 ON THE 11TH OF OCTOBER 2021. IN THIS DOCUMENT, YOU WILL FIND THE LATEST ECONOMIC FORECASTS, COMPARATIVES AND INDICATORS AS WELL AS THE MAIN MEASURES WHICH WILL BE IMPLEMENTED IN 2022.

HIGHLIGHTS OF MALTA BUDGET 2022

'THE MALTA WE WANT FOR OUR CHILDREN'

- COLA increase of €1.75 per week, given also to pensioners
- Pensioners to receive a further increase of €3.25 per week in addition to the COLA increase
- Increase of 10% on all student stipends, and full stipend to all students working up to 25hrs a week
- First time and second time buyers' scheme extended
- Overtime to be taxed at 15% on the first €10,000 for people earning less than €20,000 and in non-managerial positions
- Part time work to be taxed at 10% rather than 15%
- In-Work Benefit to Increase further
- Tax rebate cheque to increase to between €60 and €140
- Reduced transfer duty rate of 1.5% for family businesses has been extended
- €400 bonus for birth or adoption of a new child
- Free public transport for every Maltese resident as from October 2022
- Licencing of contractors
- Increase in the benefits for carers at home from €6,000 to €7,000 a year

Economic Indicators



A deficit of 11.1% of GDP is expected for 2021.

A deficit of 5.6% of GDP is forecasted for 2022.



Unemployment rate hit a new record low of 3.2%, with 77.3% of 20 to 64 year-olds being in employment, above the EU average



National debt to GDP ratio closing in at 61.32%

Fiscal and Other Measures

Property

Properties constructed over 20 years ago and have been vacant for a period of more than 7 years, properties located in a UCA area or traditional Maltese buildings, will be exempt from Final Property Tax on the first €750,000.

First time buyer of the above properties will receive a grant of €15,000 if the property is in Malta and a grant of €30,000 if the property is in Gozo.

First time buyer scheme, second time buyer scheme and schemes to acquire a property in Gozo have been extended.

Family Reorganisation

The 1.5% stamp duty on the donation of family business to be extended.

Capital Allowances

Group companies can transfer capital allowances to other companies and utilised against taxable income.

Covid-19 Measures

Malta Enterprise to introduce a scheme on re-invested retained earnings in the company or into another venture, will receive a tax benefit.

Business that suffered huge losses will be assisted with 'Restart Scheme'.

Innovative Economy

Fiscal incentive on investments related to innovative, ecological and digital enterprises.

The schemes of 'Change to Grow' and 'Smart & Sustainable Investments' will provide financial assistance for diversification of operations towards sustainable and digital matters.

Industrial Parks

€470 million investment in Industrial Parks administered by INDIS.

Income Tax & VAT

Remission on interest on tax balances will be considered only in terms of rules stipulated into Subsidiary Legislation 372.26 of the Laws of Malta.

The annual interest rate on Income Tax and VAT due will be of 7.2%, or 0.60% per month.

A VAT rebate of up to €54,000 on restoration work related to the purchase of properties constructed over 20 years ago and which have been vacant for a period of more than 7 years, properties located in a UCA area or traditional Maltese buildings.

Artists, producers and promoters of artistic and cultural activities to be taxed at the rate of 7.5% on their income applicable from the basis year 2022.

Green Economy

The financial benefit when buying a Plug-In Hybrid or an electric vehicle will increase to €11,000.

VAT refund on bicycles and e-bikes to be extended. The same applies to incentives on the purchase of motorbikes and scooters.

Investment in a 1,200 Charging Point network.

Introduction of Reuse Centres and Repair Centres.

Green fund to help Maltese companies invest in environmental sustainable projects

Health and Education

The work on a new Outpatients Department in Mater Dei will continue and plans for the construction of a New Mental Health Hospital.

Remote Patient Monitoring pilot project to be launched.

Construction of new schools in Msida and Rabat (Gozo) and schools in Qormi, Mellieha and Ghaxaq to be upgraded to meet today's educational standards.

About Us

TRI-MER SERVICES LIMITED OFFERS A COMPLETE RANGE OF SERVICES TO INTERNATIONAL CLIENTS WISHING TO RELOCATE TO MALTA OR SET-UP THEIR BUSINESS IN MALTA, FOCUSING INTENTLY ON PROVIDING SEVERAL CORPORATE AND PERSONAL TAX SOLUTIONS.

Established in 2005, and licensed by the Malta Financial Services Authority, we aspire to provide personalized, tailor-made full care services to all of our clients, and maintaining the highest professional and ethical standards.

Providing services to a list of prestigious clients, the firm enjoys an excellent reputation which stems from our dedication, professionalism and enthusiasm to serve our clients.

Tri-Mer Services Limited is a member of Finance Malta and the Institute for Financial Service Providers of Malta.

Tri-Mer Services Limited is a member of BKR International, a Global Association of more than 130 independent accounting firms in 64 countries. At Tri-Mer we seek to provide tailor-made full care services, in order to cater for your requests, and exceed your expectations.

Our team put dedication into guiding clientele, through the numerous opportunities which Malta can offer.

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